

VZCZCXRO5505  
RR RUEHTRO  
DE RUEHTRO #0976/01 3570843  
ZNR UUUUU ZZH  
R 220843Z DEC 08  
FM AMEMBASSY TRIPOLI  
TO RUEHC/SECSTATE WASHDC 4262  
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RHMFIUU/DEPT OF ENERGY WASHINGTON DC  
RUEHTU/AMEMBASSY TUNIS 0709  
RUEHEG/AMEMBASSY CAIRO 1352  
RUEHAS/AMEMBASSY ALGIERS 0848  
RUEHRB/AMEMBASSY RABAT 0791  
RUEHVT/AMEMBASSY VALLETTA 0371  
RUEHTRO/AMEMBASSY TRIPOLI 4784  
RUEHCL/AMCONSUL CASABLANCA 0011  
RUEHAM/AMEMBASSY AMMAN 0085  
RUEHLO/AMEMBASSY LONDON 0969  
RUEHFR/AMEMBASSY PARIS 0656

UNCLAS SECTION 01 OF 05 TRIPOLI 000976

C O R R E C T E D COPY - ADDING ADDRESSEES

SENSITIVE  
SIPDIS

STATE FOR NEA/MAG (NARDI, HAYES, PATTERSON)  
STATE PASS USTR (BURKHEAD) AND USAID (MCCLOUD)  
USDOC FOR ITA/MAC/ONE (NATHAN MASON), ADVOCACY CTR (REITZA), AND  
CLDP (TEJTEL AND MCMANUS)  
CASABLANCA FOR FCS (ORTIZ)  
AMMAN FOR ESTH HUB (BHALLA)  
CAIRO FOR FINANCIAL ATTACHE (SEVERENS)  
LONDON AND PARIS FOR NEA WATCHER

E.O. 12958: N/A  
TAGS: [ECON](#) [EFIN](#) [ETRD](#) [EINV](#) [EIND](#) [EPET](#) [ENRG](#) [PGOV](#) [LY](#)  
SUBJECT: LIBYA COMMERCIAL ROUND-UP FOR NOVEMBER 2008

TRIPOLI 00000976 001.2 OF 005

#### CONSULTING

11. (SBU) Economics officer and senior commercial officer met on November 30 with a representative of Bearing Point, who was in Tripoli discussing future contracts for the company with the Libyan government. Bearing Point did a Basel Core Principles assessment for Libya a few years ago, and now is interested in helping the Central Bank implement some of the recommendations previously made, including work on the regulatory regime for banking supervision, and anti-money laundering. Bearing Point is also discussing with the Privatization Board a study tour of U.S. regulators for the power industry. Bearing Point is also in discussions with the Economic Development Board about Bearing Point's assistance in coordinating between the various economic actors carrying out programs and assisting in the development of SME's through the business incubator program.

#### OIL & GAS

12. (U) Energy City Libya Masterplan: Bahrain's Gulf Finance House launched the \$5 billion Energy City Libya project, which will develop the country as a regional hub for the energy sector. The project will cover 6 square kilometers on the shore of Sabratha, a city 70km west of Tripoli and is intended to serve as a crossroads between the European, African and Arab markets. The project involves the construction of a centerpiece surrounded by specialized business clusters including an environmental and renewable energy advisory centre, an area dedicated to oil and gas producers, an area for shipping and trading companies, an area for energy service industries, and an area for downstream and infrastructure industries. The Economic and Social Fund of Libya is an investor in the project and will have a consultative role in the project. [MEED, 11/9/2008]

13. (U) Canadian Firm Verenex Submits Final Appraisal Report for

Libya's Area 47: The report recommends that the field be declared commercial as a first step in advancing a gross 50,000 barrels of oil per day development project in the southern part of Area 47. Under the Exploration and Production Sharing Agreement (EPSA), a declaration of commerciality by the Area Management Committee would clear the way to establish a Joint Operating Company with the National Oil Corporation as a 50% partner to finalize the development plan and to execute the project. [Petroleum Africa, 11/13/2008]

¶4. (U) Geology of Southern Libya Symposium & Exhibition: The event was officially sponsored by the National Oil Corporation and marked the 50th anniversary of the Earth Science Society of Libya. The symposium and exhibition was held during 17 - 20 November. Geosciences, seismic, geophysical, and exploration and production services companies, as well as consulting and training organizations from UK, USA, Denmark, Spain, Canada and Libya participated. [libyaonline.com, 11/15/2008]

¶5. (U) Geowave Endeavour sets production record for any seismic vessel: Norwegian Wavefield is undertaking BP's offshore seismic data collection with the Geowave Endeavour vessel. The vessel acquired 2,991 sail miles during the month of October while working offshore Libya for BP; this is believed to be a new production record for any seismic vessel. The contract incorporates the industry's largest ever onboard processing project. This is BP's largest 3D seismic survey ever acquired in terms of area. [Hart Energy Publishing, 11/21/ 2008]

¶6. (U) Libya-focused Verenex Energy opens data rooms to potential buyers: The Canadian company, focused on Libya, announced in September it was considering selling options but had not specifically said it was for sale. The data rooms will remain open until at least mid-December, and the company aims to make a decision in the first quarter of 2009. Verenex Energy Inc. The Libyan National Oil Corporation has approved a list of large companies qualified to view the confidential technical data on the assets in the Ghadames Basin. Verenex acquired rights to Area 47 in 2005 and has drilled 16 exploration and appraisal wells, and released an estimate that the area contains 2.15 billion barrels of oil equivalent. [oilweek.com, 11/27/2008]

TRIPOLI 00000976 002.2 OF 005

¶7. (U) Pertamina in talks to acquire Verenex's Libya oil field: Indonesian oil company PT Pertamina is in talks with Verenex Energy Inc. to buy the Canada-based firm's stakes in an oil field in the Ghadames Basin, Libya. Pertamina already has exploration rights in two blocks in Libya. It is still unclear if Pertamina intends to enter the block alone or with partners. [The Jakarta Post, 11/29/2008]

¶8. (U) OiLibya Begins Pouring Oil in Ethiopia: After 60 years of presence in the country, as of November 14, Shell Ethiopia has totally moved out of the Ethiopian market, after Libya Oil Holding Ltd (OiLibya) finalized the purchase and sale agreement. Shell signed a purchase sale and agreement with OiLibya, which gives the latter 100% ownership of Shell's downstream oil products marketing business share in Ethiopia. Its 142 employees have been retained. The last months of Shell Ethiopia's life were characterized by a serious confrontation it had with the company's labor union over service benefit claims the employees demanded. OiLibya has already pledged a 15% salary increment for the employees as of January 2009. [allafrica.com, 11/25/2008]

#### REGIONAL ISSUES

¶9. (U) Liberia gets 30 Tons of Rice from Libya: The government of Libya has provided about 30 tons of rice to Liberia. The Charge d'Affaires of the Libyan People's Bureau in Liberia, Aymen T.A. Shah, said the donation was Libya's way of identifying with Liberia in the wake of global food crisis; in response, Deputy Foreign Minister for Administration, Johnson N. Gwaikolo, who received the rice on behalf of the Liberian government, commended the government and people of Libya for the donation. During the year, Libya has also donated generators,

tractors, and several medical supplies to Liberia.  
[libyaonline.com, 11/3/2008]

¶10. (U) Libya, Belarus Sign Cooperation Agreements: During an official visit by Muammar al-Qadhafi to Belarus, Libya and Belarus signed four agreements related to the economic, judicial and cultural sectors. The signing ceremony took place on November 3rd. The agreements include a convention on avoiding double taxation, a protocol on cooperation between judicial branches, a memorandum of understanding between the two countries' standardization agencies and an agreement on media cooperation. Muammar al-Qadhafi arrived in Minsk after visiting Moscow. [Tripoli Post, 11/4/2008]

¶11. (U) Memorandum of Understanding Signed between Libya and the Ukraine: Ukraine and Libya signed Convention for Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxation on Income. Also, a Memorandum of Understanding in the area of Metrology and Certification was signed. The memorandums were signed in the presence of Ukrainian President Viktor Yushchenko and Muammar al-Qadhafi, on a state visit to Kyiv. [ljbtc, 11/4/2008]

¶12. (U) Libya offers employment opportunities to Sri Lankans: A 12- member Libyan labor delegation, led by Libyan Manpower Minister, Matough Mohamed Matough, made a four-day visit to Sri Lanka. Libya and Sri Lanka entered into a Memorandum of Understanding regarding health, hospitality, and education. The Libyan Minister indicated their urgent requirements of doctors, nurses, and paramedics in the Libyan hospitals. Libya also indicated its desire to set up a hotel management school in Sri Lanka, and to have engineering, physics, biology, and chemistry lecturers from Sri Lanka in its universities. Sri Lanka President has also approved the setting up of a Sri Lanka High Commission in Libya. Libya has come forward to recruit immediately 1,000 doctors and 1,000 nurses from Sri Lanka. [Asian Tribune, 11/6/2008]

¶13. (U) New Islamic University to Open in Kampala: The Libyan-based World Islamic Call Society is to open a university in Uganda by the end of this year. The society's secretary-general, Dr. Muhammad Shariff, said the university, which started in Tripoli, Libya in 1975 had opened up branches in Chad, Syria and England. The university would initially operate from the training centre at the Old Kampala Mosque,

TRIPOLI 00000976 003.2 OF 005

before relocating to a permanent place. [New Vision Kampala, 11/11/2008]

¶14. (U) EU-Libya talks start: Negotiations on an EU-Libya Framework Agreement, covering political, social, economic, commercial and cultural relations with Libya, opened in Brussels with EU External Relations Commissioner Benita Ferrero-Waldner and representatives of the current French EU presidency representing Europe. On the Libyan side of the table will be Secretary for European Affairs Abdulati Elobeidi and Mohamed Tahar Siala, Deputy Secretary at the General People Committee for International Cooperation. To date Libya remains the only Mediterranean country with no official relations with the European bloc. Earlier this year Libya had declined an invitation to join the Union for the Mediterranean proposed by the EU's French Presidency. [eubusiness.com, 11/12/2008]

CONSTRUCTION

¶15. (U) Sovereign Hospitality Holdings to develop urban resort in Tripoli with InterContinental Hotels Group: Kuwaiti Sovereign Hospitality Holdings announced it will develop an extensive resort in Tripoli, Libya, to be managed by Holiday Inn, an InterContinental Hotels Group owned brand. The development will feature the 4 star Holiday Inn Tripoli Hotel, as well as real estate opportunities, and is due to open in 2011. Sovereign Hospitality Holdings will invest around \$130 million in this project. [libyaninvestment.com, 11/11/2008]

¶16. (U) Thai Firm Wangdee Engineering ready for \$40 million project in Libya: Thai Wangdee Engineering and Construction Company has entered the North African market by securing a contract to build housing units worth \$40 million in the south of Libya. The contract is part of a Libyan government public housing programme in which 25,000 housing units will be built nationwide. Rawas for Constructions and Maintenance Company is the main contractor for the Libyan government's rural area development project, and Wangdee is a subcontractor for 1,612 one-storey row houses in the southern city of Brack, about 700 kilometers south of Tripoli. [Bangkok Post, 11/22/2008]

¶17. (U) South Korea's Kolon wins \$86 million deal in Libya: The Kolon Engineering & Construction Company, a South Korean builder, signed a preliminary \$86 million deal to build a sewage treatment plant in Tripoli. The plant is expected to be completed 30 months after its launch. [Business in Asia Today, 11/24/2008]

¶18. (U) Libya sets up joint venture with Egypt's Sewedy: Two Libya's state-owned firms have set up a \$25 million joint venture with Egypt's El Sewedy Cables, to produce high voltage cables for Libya's domestic market. The joint venture has been named El Mushtaraka Cables Manufacturing. El Sewedy owns 55 percent, Manufacturing Investment Development Company Holding owns 40 percent and Electricity Industries Company, owns 5 percent of the JV. El Sewedy is one of the biggest cable manufacturers in the Middle East. [Reuters, 27/11/2008]

¶19. (U) China Railway Construction Corporation starts \$1.7 billion project in Libya: The railway project consists of a 453 kilometer railway line which will link Tripoli with Sirte. The railway line is part of a major Libyan plan to build a railway network linking it to other African states, including neighboring Maghreb countries. Libya is one of China's largest trading partners in Africa, with two-way trade estimated by Libyan officials at more than \$2.0 billion during last year. [Reuters, 11/28/2008]

¶20. (U) Libya Enlists British Architects for Conflict Museum: The London-based Metropolitan Workshop, a collective of British architects, has won a closed competition to design the conflict museum. The proposed design takes the form of a sequence of origami-like, zigzag forms that somehow manage to conjure an image of some ultra-modern Bedouin tent hunkered down in the desert dunes of North Africa. [dexigner.com, 11/30/2008]

IT/TELECOM

TRIPOLI 00000976 004.2 OF 005

¶21. (U) Atrexx Targets the North African Oil and Gas Market: German company Atrexx, a provider of telecommunication and broadcast services, has confirmed the conclusion of major contracts for the provision of satellite communications to European suppliers in the Libyan oil and gas industry. The communications will be provided to remote exploration sites and to drilling teams based in the region. Atrexx has been working in the Libyan oil and gas market since the embargo was lifted. [Atrexx, 11/3/2008]

¶22. (U) North Africa to See Enterprise Voice & Data: Tunisia Telecom Integrator and Alcatel-Lucent have joined forces to supply enterprise voice and data solutions in the North African nations of Libya and Tunisia. The agreement will showcase the two firms' common skills and technological abilities and broaden their presence in North Africa. Alcatel-Lucent and TTE will offer complete and secure communication solutions while evolving the network infrastructure in Tunis and Libya. [TmcNET, 11/4/2008]

¶23. (U) Summit in Bahrain to Address Information Technology Priorities: The event aims to discuss Information Technology (IT) Strategies to develop the productivity of the Oil & Gas sector, discuss challenges facing this industry in the Arab region and establish a strategic platform for the IT executives

in the Oil, Gas and Industrial sector. The OT Summit took place November 18 and 19, and hosted the heads of IT sectors in the region's top oil producing countries.[otsummit.com, 11/17/2008]

¶24. (U) ThurayaIP Rolled Out in Libyan Government and Corporate Sectors: Thuraya, a UAE Satellite Telecommunications Company, signed a major commercial deal with the General Post and Telecommunications Company (GPTC), according to which a large number of ThurayaIP terminals will be rolled out in most areas within Libya before the end of this year. Thuraya has recently begun installing ThurayaIP terminals for key user segments including government agencies, oil and gas companies, business corporate, media and international organizations operating in the country. [thuraya.com, 11/18/2008]

¶25. (U) MicroWorld Forms Retail Partnership with CIS Libya: MicroWord, the advanced AntiVirus and Content Security Solution developer, announced its retail partnership with CIS Libya, a provider of IT vendors with an established client base of corporate companies like Libyan Telecom Company, General Electricity Company of Libya, and Shell Libyan Branch. The partnership aims to distribute MicroWorld's security products in Libya. The partnership will enable both companies to work together in helping users secure and manage their information assets. [emailwire.com, 11/24/2008]

¶26. (U) Power plant builder Technopromexport and Libya to set up energy JV: Russia's state-controlled power plant builder Technopromexport and the Libyan African Investment Portfolio have agreed on a joint venture to build power plants in Africa. The joint venture, Laptechno-Power, will build and operate power facilities in seven African countries: Libya, Uganda, Ghana, Algeria, Egypt, Yemen and Namibia. The construction of electric power facilities will be financed by the Libyan African Investment Portfolio, which will manage \$6.73 billion in funds to implement the projects in the seven countries. The first projects will be the construction of a 1,250-km [777-mile] electric transmission line with a capacity of 400 kiloWatts in Libya and a 300 MegaWatts hydro power plant on the Blue Nile River in Uganda. [RIA Novosti, 11/20/2008]

#### BANKING

¶27. (U) Egypt's Beltone Financial opens office in Libya: Egypt-based investment bank Beltone Financial has expanded into Libya by partnering with the Libyan Economic and Social Development Fund to open an office in Tripoli. "Beltone Financial is providing a comprehensive suite of services in Tripoli including securities brokerage, asset management, investment, corporate restructuring and advisory services," the bank said in a statement. Beltone was established in 2002, and

TRIPOLI 00000976 005.2 OF 005

is present in Cairo, Riyadh, Jeddah, Dubai, Qatar, London and New York. The investment bank manages about 30 billion pounds of assets. [Reuters, 8/11/2008]

¶28. (U) First Gulf Bank teams up with Libya to launch first joint lender: Abu Dhabi-based lender First Gulf Bank (FGB) and Libya's Economic and Social Development Fund (ESDF) have launched First Gulf Libyan Bank (FGLB) operations in Tripoli, Libya. The inauguration was held under the patronage of the Libyan Prime Ministry. Equally owned by ESDF and FGB and fully managed by FGB, FGLB will initially offer a range of corporate products to businesses in Libya. FGLB will expand its range of services to address the emerging needs of the country. [Gulf News, 13/11/2008]

#### PRESS

¶29. (U) AFP launches bureau in Libya: Agence France-Presse formally opened a bureau in Tripoli on November 22, the first global news agency in Libya. The new bureau, directly linked to AFP's Middle East regional headquarters in Nicosia, Cyprus, will be staffed by two journalists covering Libyan news in Arabic and French, plus a photographer. The news agency was previously

represented in Tripoli by a local freelance. [libyaonline.com, 23/11/2008]

#### TRANSPORTATION

¶30. (U) The Oil Carrier "Aisha" included to the Fleet of Public Marine Transport Company: The modern oil carrier "Aisha" built by Samsung Company, was enlisted to the commercial operation of the Libyan national company for public marine transport. Its capacity reaches 100,000 barrels. Resources from the Libyan marine transport company mentioned that the enlisting of this carrier to the company fleet follows the company's plan to become the biggest fleet of oil carriers in the Arab and Mediterranean Sea. The plan is under the supervision of Hannibal al-Qadhafi. [libyaninvestment.com, 23/11/2008]  
GODFREYJT